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Mexico

Agricultural Situation

Mexico Apple Antidumping Dispute 2008

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Report Highlights:

Mexican officials expect resolution of the apple antidumping dispute following the issuance of a final ruling on the case by a bi-national NAFTA dispute panel that should be released in the first quarter of 2009. In a separate but related action the Secretariat of Economy (SE) announced in the *Diario Oficial* (Federal Register) the annual review of the compensatory quotas currently imposed on seven companies.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Mexico City [MX1]
[MX]

Executive Summary

During a public hearing held in Mexico City by a bi-national NAFTA dispute panel for parties to discuss the U.S.-Mexico anti-dumping case, officials from the Secretary of Economy (SE) stated that the panel should be ready to issue a final ruling in the first quarter of 2009. The long-running dispute began in 1996 when Mexican apple producers from Chihuahua accused U.S. apple importers of dumping. In 2006, Mexican authorities imposed a duty of 46 percent on U.S. imports, but the National Fruit Exporters Association appealed this decision under chapter 19 of NAFTA.

In addition, under Mexican law any company that believes they have not been exporting under unfair practices can request the SE to review their case and obtain a lower or null compensatory duty. To that end, on November 14, 2008, a group of U.S. apple importers requested that Mexican authorities review their prices and duties. The seven companies initiating this review are: Cowiche Growers Inc., CPC International Apple Co., Jack Frost Fruit Company, Inc., Matson Fruit Co. Monson Fruit Company Inc., Yakima Fruit and Cold Storage Co., Inc. and Zirkle.

Background

On November 2, 2006, the SE announced the final resolution to the antidumping investigation on Red and Golden Delicious varieties from the United States. Depending on the company, duties range from 0 to 47.05 percent. Most of the Northwest Fruit Exporters (NFE) companies fall under the 47.05 duty. Subsequently, a small number of Mexican fruit importing companies petitioned the SE to revoke the August 12, 2002, final resolution on anti-dumping duties on Red and Golden Delicious apples shipped by non-Northwest Fruit Exporters (NFE) companies. The petition was resolved favorably, and on July 3, 2007, SE announced in the *Diario Oficial* (Federal Register) that the Final Resolution on the antidumping case on Red and Golden Delicious Apples, published on August 12, 2002, was cancelled. The cancellation of this initial resolution essentially meant that non-Northwest Fruit Exporters (NFE) companies are no longer subject to a compensatory duty when exporting Red and Golden Delicious apples to Mexico, while NFE companies remain subject to the duties. During the process, NFE requested a bilateral dispute resolution panel to examine the issue and determine if SE properly applied duties under the November 2006 resolution. The panel's decision has been delayed by various factors; however, final deliberations are now expected to take between three and four months.

(See reports MX 6094 and 7050)

<http://www.fas.usda.gov/gainfiles/200612/146249695.pdf>

<http://www.fas.usda.gov/gainfiles/200707/146291648.pdf>